



FEDERAL BUREAU OF INVESTIGATION

Date of entry 06/17/2015

On Thursday, May 14, 2015, at approximately 6:00 AM, ROBERT KEITH STEWART (STEWART), date of birth [REDACTED] 1955, social security number [REDACTED], who resides at [REDACTED], Merrick, NY, 11566, was arrested at home by Federal Bureau of Investigation (FBI) Special Agents (SAs), without incident, pursuant to an arrest warrant issued out of the Southern District of New York on 05/13/2015.

STEWART was verbally advised of his Miranda Rights, at approximately 6:15 AM, by SA Matthew Callahan and SA Constantine Voulgaris. SA Callahan and SA Voulgaris did not question STEWART at this time. STEWART was transported to the FBI New York Field Office at 26 Federal Plaza, New York, NY, 10278, by SA Callahan and SA Voulgaris.

At approximately 8:10 AM, STEWART was again advised of his Miranda Rights by SA Callahan and SA Eric Burns. STEWART voluntarily waived his rights and was interviewed by SA Burns and SA Callahan in an interview room on the 28th floor of the FBI New York Field Office. During the interview, STEWART provided the following information:

NOTE: The following is an interview summary. It is not intended to be a verbatim account and does not memorialize all statements made during the interview. Communications by the parties in the interview room were electronically recorded. The recording captures the actual words spoken.

SEAN STEWART was proud of the fact that he was working on mergers and acquisitions deals at both JP MORGAN and PERELLA WEINBERG.

With respect to the KENDLE deal, ROBERT STEWART had heard of KENDLE before he began trading KENDLE's securities. ROBERT STEWART knew SEAN STEWART was working on the KENDLE deal. ROBERT STEWART's trading of KENDLE securities was based on confidential information about the deal from SEAN STEWART. ROBERT STEWART mentioned KENDLE to MARK BOCCIA (BOCCIA) at TITAN MANAGEMENT ADVISORS, LLC. ROBERT STEWART told BOCCIA that "the company is in play." BOCCIA invested in KENDLE.

Investigation on 05/14/2015 at New York, New York, United States (In Person)

File # 318D-NY-2990194

Date drafted 05/15/2015

by CALLAHAN MATTHEW THOMAS, SA Eric Robert Burns

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Callahan

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ROBERT STEWART passed confidential deal information from SEAN STEWART to RICHARD CUNNIFFE (CUNNIFFE). CUNNIFFE traded on the basis of that information. ROBERT STEWART and CUNNIFFE discussed trading in options contracts with specific expiration dates. ROBERT STEWART did not want to buy stock and options contracts in his own name because he did not want people asking about his trading. ROBERT STEWART was worried that people would make the connection to SEAN STEWART as his source of information. ROBERT STEWART wanted to keep SEAN STEWART out of it.

ROBERT STEWART and SEAN STEWART discussed ROBERT STEWART's trading in KENDLE after the FINRA inquiry was issued.

SEAN STEWART told ROBERT STEWART specifics about the deals SEAN STEWART worked on including the companies involved. ROBERT STEWART passed the information to CUNNIFFE. ROBERT STEWART often asked SEAN STEWART for updates on the deals because he knew that CUNNIFFE was invested in the securities of the companies involved in the deals. ROBERT STEWART gave confirmation on the deals to CUNNIFFE. ROBERT STEWART took advantage of what SEAN STEWART was doing.

CUNNIFFE told ROBERT STEWART what ROBERT STEWART's share of the trading profits were. ROBERT STEWART thought "he would do a little bit and make it ok." ROBERT STEWART estimated that CUNNIFFE gave him approximately \$40,000-\$50,000 dollars in cash payments. In addition, the \$50,000 dollar investment that CUNNIFFE made in SADACO on ROBERT STEWART's behalf was part of ROBERT STEWART's profits from the CARE FUSION deal.

Financial pressure drove ROBERT STEWART to trade on inside information. ROBERT STEWART was a terrible businessman. SEAN STEWART thought his parents had more money than they actually do. ROBERT STEWART worked two jobs to raise his kids and pay for college.

ROBERT STEWART's proceeds from the KENDLE trades were used to pay for the wedding that ROBERT STEWART's wife thought SEAN STEWART should have. ROBERT STEWART did not help pay for SEAN STEWART's divorce. ROBERT STEWART borrowed approximately \$30,000-\$35,000 dollars from SEAN STEWART to invest in SADACO. ROBERT STEWART subsequently repaid SEAN STEWART.

ROBERT STEWART is the Chief Financial Officer of SPIRAL TOYS. ROBERT STEWART runs a small accounting practice. ROBERT STEWART was never paid by PETE SICILIAN. In the last few years, most of the money that kept ROBERT STEWART afloat came from his mother's estate.

ROBERT STEWART did not deposit the last cash payment from CUNNIFFE in the bank. Over time, CUNNIFFE wrote approximately 2-3 checks to ROBERT STEWART to pay out a portion of ROBERT STEWART's profits. ROBERT STEWART deposited the checks in the bank.

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After the FINRA inquiry, SEAN STEWART was surprised and angry at ROBERT STEWART. SEAN STEWART also became nervous.

ROBERT STEWART's relationship with SEAN STEWART was "not good" when SEAN STEWART was drinking. ROBERT STEWART's relationship with SEAN STEWART is better now.